

Capital Area Alliance for the Homeless, Inc.
Baton Rouge, Louisiana

Annual Financial Statements

December 31, 2013

WILLIAM E. DeLOACH
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Management and Board of Directors
Capital Area Alliance for the Homeless, Inc.
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the Capital Area Alliance for the Homeless, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Capital Area Alliance of the Homeless, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 14, 2014, on my consideration of the Alliance's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alliance's internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read 'W. DeLoach', is positioned above the printed name.

William E. DeLoach, CPA
July 14, 2014

Capital Area Alliance for the Homeless, Inc.

(A Nonprofit Organization)

Statement of Financial Position

December 31, 2013

ASSETS

Current Assets

Cash in Bank	\$ 51,953
Accounts Receivable	<u>2,224</u>
Total Current Assets	54,177

Property & Equipment

Furniture & Fixtures	55,258
Less Accumulated Depreciation	<u>(14,273)</u>
Total Property & Equipment	<u>40,985</u>

Total Assets	<u><u>\$ 95,162</u></u>
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NET ASSETS

Net Assets

Net Assets-Unrestricted	\$ <u>95,162</u>
Total Net Assets	<u><u>\$ 95,162</u></u>

See notes to financial statements.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Statement of Activities
For the year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
<u>Revenues</u>			
One Stop Grants	\$ 147,330	\$ 0	\$ 147,330
SHP - VOA	85,642	0	85,642
SHP - Scott Housing	42,549	0	42,549
SHP - HMIS	130,487	0	130,487
SHP - Application Fees	1,350	0	1,350
HMIS Generated Income	11,165	0	11,165
Homeless Prevention	34,013		34,013
Contributions	39,159	0	39,159
Utility Reimbursement	11,207		11,207
Membership Dues	1,725	0	1,725
Other Income	1,951	0	1,951
Grants	97,018	0	97,018
Net Assets Released From Restrictions	28,618	(28,618)	0
Total Revenues	<u>632,214</u>	<u>(28,618)</u>	<u>603,596</u>
<u>Expenses</u>			
Program Expenses	572,213	0	572,213
Management & Administrative	37,883	0	37,883
Total Expenses	<u>610,096</u>	<u>0</u>	<u>610,096</u>
 Changes in Net Assets	 22,118	 (28,618)	 (6,500)
 Net Assets-January 1	 <u>73,044</u>	 <u>28,618</u>	 <u>101,662</u>
 Net Assets-December 31	 <u><u>\$ 95,162</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 95,162</u></u>

See notes to financial statements.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Statement of Cash Flows
For the year ended December 31, 2013

Changes in net assets	\$ (6,500)
Adjustments to reconcile changes in net assets to net cash generated by operations:	
Depreciation	7,608
Accounts Receivable	(2,224)
Net Cash Used by Operations	<u>(1,116)</u>
Total cash at the beginning of the year	<u>53,069</u>
Total cash at the end of the year	<u><u>\$ 51,953</u></u>

See notes to financial statements.

Capital Area Alliance for the Homeless, Inc.

(A Non-profit Organization)

December 31, 2013

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Purpose

The Capital Area Alliance for the Homeless is a non-profit corporation whose mission is to provide a continuum of care network for the homeless through a coordinated body of diverse organizations.

Basis of Accounting

The financial statements of the Alliance have been prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles.

Income

The Alliance generates its revenue from private grants and by being reimbursed through government and private sources for providing housing services to the homeless in the Baton Rouge metropolitan area. Income received is recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by donors is reported as an increase in unrestricted net assets if the restriction expires in increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Income Taxes

The Alliance operates as a public charity under Section 501(c)(3) of the Internal Revenue Code and the state revenue code. Accordingly, the Alliance is exempt from federal and state income taxes and is not a private foundation.

Contributor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the contributor. Amounts received that are designated for future periods or restricted by the contributor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted.

Capital Area Alliance for the Homeless, Inc.
(A Non-profit Organization)
December 31, 2013

NOTES TO FINANCIAL STATEMENTS

Cash & Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible into cash and have original maturities of three months or less.

Furniture and Equipment

Furniture and equipment are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful life of assets over \$500.

Related Parties

Some board members are also board members of other non-profit organizations that may receive and may contribute economic benefits to the Alliance.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and net assets as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Donated Services

No amounts have been reflected in the financial statements for donated and volunteer services. These services neither require specialized skills nor would they have been typically purchased had they not been donated. The value of these services is not readily determinable.

4. Concentration Risk

The Alliance is dependent upon funding from several non-profit organizations, governmental agencies, and various donors and contributors.

5. Subsequent Events

FASB ASC Topic 855 for Subsequent Events introduces the concepts of financial statements being “available to be issued,” and requires disclosure of the date through which an entity has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. FASB ASC Topic 855 does not result in significant changes to subsequent events that are reported either through recognition or disclosure in the financial statements. FASB ASC Topic 855 is effective for the Organization’s December 31, 2013 financial statements, and the Organization has evaluated subsequent events through July 14, 2014, the date the financial statements were issued.

Capital Area Alliance for the Homeless, Inc.

(A Nonprofit Organization)

December 31, 2013

Notes to Financial Statements**6. Functional Expenses**

	Total	Program Expenses	M & A Expenses
SHP - Scott Housing	\$ 40,970	\$ 40,970	\$ -
SHP - VOA	84,362	84,362	-
SHP - HMIS	67,334	67,334	-
Legal and professional	10,371	8,297	2,074
Computer expense	4,915	3,932	983
Memberships and dues	565	452	113
Meetings	1,072	858	214
Office supplies	2,592	2,074	518
Postage and shipping	204	163	41
Insurance	3,865	3,092	773
Utilities and building expense	65,645	52,516	13,129
Photocopying	375	300	75
Travel and mileage	5,925	4,740	1,185
Training and conferences	6,470	5,176	1,294
Payroll taxes - CAAH	9,384	8,258	1,126
Payroll taxes - HMIS	4,062	4,062	-
Depreciation	7,608	6,086	1,522
Salaries - CAAH	123,629	108,794	14,835
Salaries - HMIS	53,104	53,104	-
One Stop - Behavioral health	39,025	39,025	-
One Stop - Legal services	50,338	50,338	-
One Stop - Vocational	20,968	20,968	-
One Stop - Traveler's aid	1,140	1,140	-
One Stop - Security	6,075	6,075	-
Other	98	98	-
	<u>\$ 610,096</u>	<u>\$ 572,213</u>	<u>\$ 37,883</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Management and Board of Directors
Capital Area Alliance for the Homeless
Baton Rouge, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Capital Area Alliance for the Homeless (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated July 14, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Accordingly, I do not express an opinion on the effectiveness of the Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

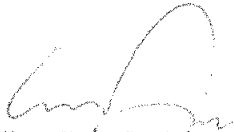
As part of obtaining reasonable assurance about whether Alliance's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Member

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William E. DeLoach, MBA, CPA
Baton Rouge, Louisiana

July 14, 2014